

# FISCAL NOTE

**Bill #:** SB0304

**Title:** Process to determine feasibility of selling state fund

**Primary Sponsor:** Johnson, R

**Status:** Second Reading

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	\$100,000	\$0
Proprietary Fund	\$100,000	\$0
<b>Revenue:</b>		
State Special Revenue	\$100,000	\$0
Proprietary Fund	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input checked="" type="checkbox"/> Technical Concerns           |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

1. The committee will determine if it would be cost-effective and in the best interest of the state, Montana employees, and Montana employers to sell all or a portion of the state compensation insurance fund assets and liabilities.
2. If it is determined that a sale of the state compensation insurance fund assets and liabilities is in the best interest of the affected parties, the committee will solicit Request for Proposals (RFPs).
3. The committee will prepare a report presenting the recommendations to the 59<sup>th</sup> Legislature and will prepare any legislation necessary to implement the recommendations.
4. The estimated cost of conducting the study and analysis and preparing the report and legislation is \$100,000. This estimate includes travel and meeting costs, expert and consultant fees, printing costs, etc.
5. The Montana State Fund will provide funding for the study.

**Fiscal Note Request SB0304, Second Reading**  
(continued)

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
(Agency unknown)		
<u>Expenditures:</u>		
Operating Expenses	\$100,000	\$0
<u>Funding of Expenditures:</u>		
State Special Revenue	\$100,000	\$0
<u>Revenue:</u>		
State Special Revenue	\$100,000	\$0
 <b>State Fund:</b>		
<u>Expenditures:</u>		
Transfer Out	\$100,000	\$0
<u>Funding of Expenditures:</u>		
Proprietary	\$100,000	\$0
<u>Revenues:</u>		
Proprietary Fund	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue	\$0	\$0
Proprietary Fund	(\$100,000)	\$0

TECHNICAL NOTES:

1. The provision directing that the Governor could use expertise from within Executive Branch was not carried forward in the amended bill. The cost estimate of \$100,000 is based on the provision that the expertise could still be used by the committee, and the language probably should be restored to the bill.
2. Although the funding will come from the State Fund, it is assumed that the committee will be administratively attached to either an Executive Branch agency or the Legislative Branch. The bill should be amended to reflect where the committee will be administratively attached.